

EXHIBIT A

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19 **UNITED STATES BANKRUPTCY COURT**
20 **NORTHERN DISTRICT OF CALIFORNIA**
21 **SAN FRANCISCO DIVISION**

22 In re:
23 **PG&E CORPORATION,**

24 - and -

25 **PACIFIC GAS AND ELECTRIC COMPANY,**
26 **Debtors.**

27 Affects PG&E Corporation
28 Affects Pacific Gas and Electric Company
 Affects both Debtors

29 * *All papers shall be filed in the Lead Case,*
30 *No. 19-30088 (DM).*

31 Bankruptcy Case
32 No. 19-30088 (DM)

33 Chapter 11

34 (Lead Case) (Jointly Administered)

35 **STIPULATION FOR ADEQUATE**
36 **PROTECTION OF SETOFF RIGHTS**
37 **OF IMERYS FILTRATION**
38 **MINERALS, INC.**

39 Claimant Imerys Filtration Minerals, Inc. (“**Imerys**”) and Debtor Pacific Gas and Electric
40 Company (the “**Utility**”), through their respective undersigned counsel of record, hereby stipulate
41 with reference to the following facts and circumstances:

Recitals

A. The Utility and its parent, PG&E Corporation (“**PG&E Corp.**”) (collectively, “**PG&E**” or the “**Debtors**”), filed voluntary petitions for relief under Chapter 11 on January 29, 2019 (the “**Petition Date**”), commencing the above-captioned Chapter 11 Cases (the “**Chapter 11 Cases**”). The Debtors are debtors in possession, and the Utility enters into this Stipulation in that capacity.

B. On January 31, 2020, the Debtors filed the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated January 31, 2020* [Docket No. 5590] (the “**Plan**”).

C. Imerys timely filed Proof of Claim No. 59221 against the Utility on October 18, 2019 (the “**POC**”). The POC asserts that the Utility is liable to Imerys for damages Imerys allegedly incurred in connection with the Utility’s improvements to the primary electric line at Imerys’ facilities in Lompoc, California. The POC seeks at least \$968,451, broken down as follows: (1) at least \$80,000 in physical property damage; (2) at least \$885,244 in lost profits; and (3) at least \$3,207 in additional labor costs (together, the “**Prepetition Damages Claim**”).

D. The Utility disputes the Prepetition Damages Claim in all respects. The Utility has not yet filed an objection to the POC, but intends to do so in due course unless the dispute is settled first. Imerys and the Utility reserve all rights regarding the basis, validity, amount and allowance of the Prepetition Damages Claim.

E. Imerys acknowledges that it is indebted to the Utility on account of certain construction services performed by the Utility before the Petition Date in the amount of approximately \$404,423.70 (the “**Prepetition Construction Claim**”).

F. Imerys asserts a right to set off the Prepetition Damages Claim against the Prepetition Construction Claim.

G. The parties have agreed, on the terms set forth in this Stipulation, to provide adequate protection for Imerys’ setoff claim as to the Prepetition Construction Claim.

Terms of Stipulation

1. Imerys' right to set off the Prepetition Damages Claim against its liability on the
2 Prepetition Construction Claim is preserved, notwithstanding any conflicting provisions of the Plan
3 and any order confirming the Plan, until determination of the validity, amount and allowance of the
4 Prepetition Damages Claim by Court order or by agreement of the parties.

5
6 2. As adequate protection for Imerys' set off rights described in paragraph 1 above, the
7 Utility agrees, pending determination of the validity and amount, if any, of the Prepetition Damages
8 Claim, to take no action against Imerys to demand, collect, enforce, or otherwise use any remedies
9 for the non-payment of the Prepetition Construction Claim (the "**Forbearance Commitment**").
10 Pending determination of the Prepetition Damages Claim, the Utility shall not cancel, refuse,
11 discontinue, or alter in any way the services provided by the Utility on account of any unpaid
12 prepetition charges, including the Prepetition Construction Claim, discriminate against Imerys, or
13 require any payment(s) for continued service as a result of any outstanding prepetition invoices or
14 charges.

15 3. The Forbearance Commitment does not apply to: (a) any obligations owed to the
16 Utility by any entity other than Imerys, or (b) any amounts owed to the Utility for services provided
17 or other obligations that arose on or after the Petition Date.

18 4. Except as expressly provided herein, this Stipulation does not determine, and the
19 parties reserve all of their respective rights, claims, and defenses regarding, the subjects addressed
20 herein and all other matters, including without limitation: (a) the validity and amount of the
21 Prepetition Damages Claim or of any other claims or matters asserted in any proof of claim
22 previously or hereafter filed by Imerys or by any other entity; (b) the sufficiency of any proof of
23 claim filed by any entity; (c) the amount of the Prepetition Construction Claim; and (d) any rights
24 or claims of either party, or of any other entity, arising on or after the Petition Date.

25 5. This Stipulation shall be effective upon entry of an order of the Court approving it.
26 The Utility shall file a motion seeking such approval upon execution of the Stipulation.

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1 Dated: March 31, 2020

2 **WEIL GOTSHAL & MANGES LLP**
3 **KELLER BENVENUTTI KIM LLP**

4 */s/ Peter J. Benvenutti*

5 Peter J. Benvenutti

6 *Attorneys for Debtors*
7 *and Debtors in Possession*

8 Dated: April 1, 2020

9 **LOWENSTEIN SANDLER LLP**

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